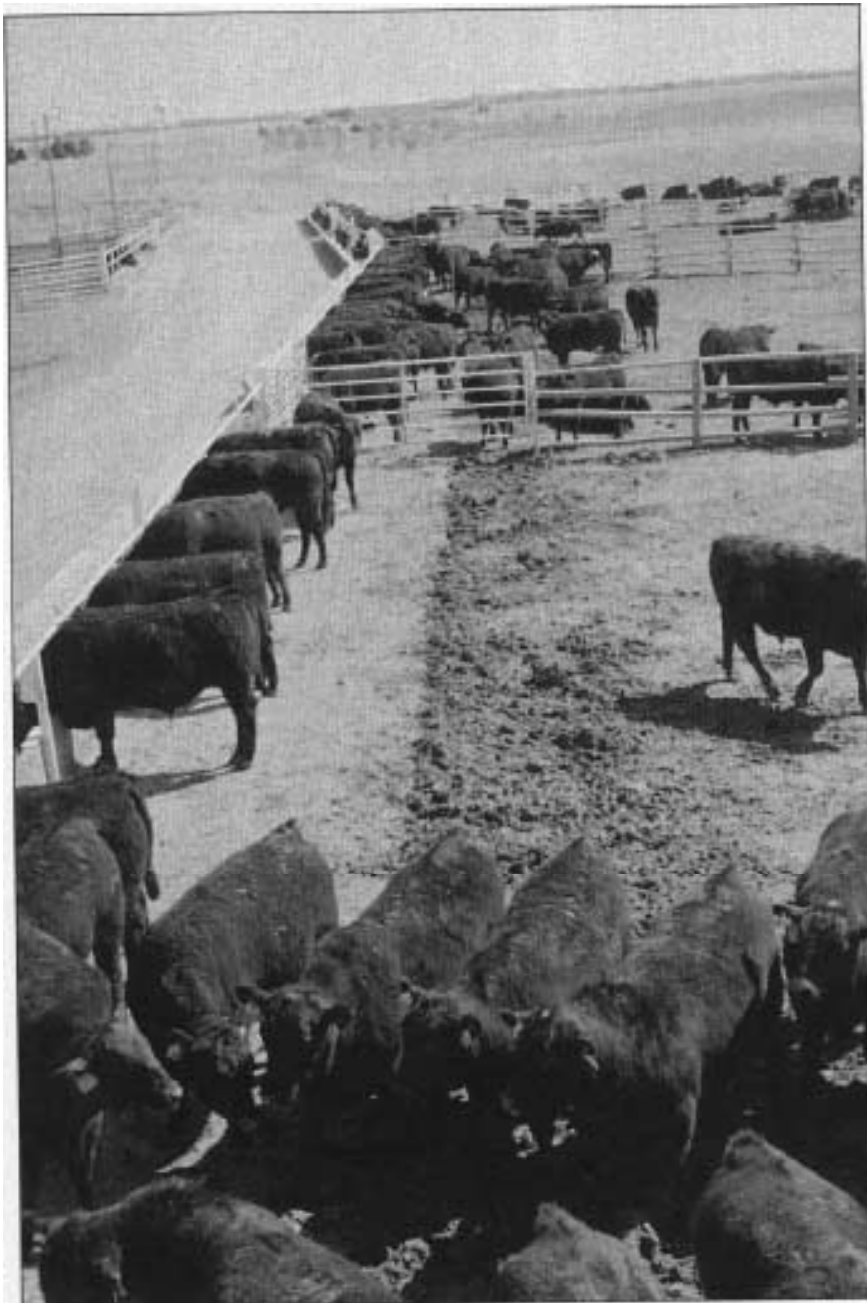


The Value Discovery Program — Coming Soon to a Yard Near You

by Terra Thorpe, Assistant, Value Discovery Program



These pens of Angus steers at T-Bone feeders, Goodland, Kan., were consigned to the 1996 Value Discovery Program.

In this time of record high corn prices and volatile cattle markets, many Angus producers are evaluating their current programs in search of marketing alternatives. One such option exists through the 1997 *Certified Angus Beef*™ Value Discovery Program (VDP).

This service of the Certified Angus Beef (CAB) Program provides Angus producers with the opportunity to retain ownership of their cattle and obtain valuable feedlot information and carcass data. When possible, the cattle are sold on a value-based system, which bases value on carcass merit.

Since the VDP began in 1991, cattle have traditionally been fed in a Kansas feedlot. Due to increasing interest nationwide in the VDP, additional feeding locations have been pursued. Three feedlots are scheduled to participate in the 1997 VDP, and a fourth in the eastern United States may be added at a later date.

All three feedlots will place cattle in December. Manken Cattle Company will also have an August placement date.

Participating feedlots are:

T-Bone Feeders, Goodland, Kan.

Manken Cattle Company, Salisbury, Mo.

France Inc., Gooding, Idaho

As the beef industry moves from selling cattle on the average toward a value-based marketing system, determining how your cattle perform on a carcass basis becomes critical. As a VDP participant, you will not only experience retained ownership; you will also receive valuable feedlot and carcass information on your consignment. The time for change is upon us, and the expansion of the VDP offers you the opportunity for progress.

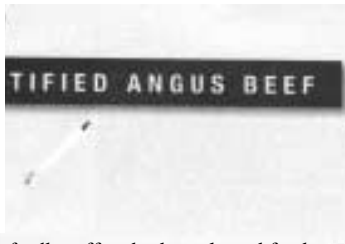
Participating VDP Feedlots

France Inc.

Although Angus producers from the Northwest have expressed interest in the VDP, high trucking costs have been an obstacle. Vern France of France Inc., Gooding, Idaho, is excited about better serving area producers with the feedlot's participation in the 1997 VDP.

His feedlot has hosted similar programs in cooperation with universities in Nevada and Idaho. It can hold 7,500 head at capacity.

France strongly recommends participants use the VAC 45 pre-conditioning plan developed for the Texas A&M University Ranch-to-Rail Program. Since using this program for incoming calves, health problems at France Inc. have been greatly minimized.



The feedlot offers both cattle and feed financing and will guarantee the cost of feed if pre-paid by the consignor. In addition to providing individual weight and health information throughout feeding, Vern will provide individual break-even projections upon request. He is also willing to feed heifers and is interested in hosting a yearling program for older calves. To take advantage of feed availability, France feeds potato waste in combination with barley and corn.

Since he has sold cattle using a value-based system, Vern is willing to pursue this avenue for VDP consignments. Assistance with trucking arrangements is also available. Staff at France Inc. are excited to be involved with the VDP and are looking forward to taking delivery of cattle in December.

■ **Manken Cattle Company**

This Salisbury, Mo., feedlot is also participating in the 1997 VDP. Mark Mahnken has past experience with retained ownership and has hosted the Missouri State Steer Futurity for several years.

Manken Cattle Company offers both feed and cattle financing and is committed to providing an optimum amount of information on individual feedlot performance. By using the Texas A&M Ranch-to-Rail Program's recommended pre-conditioning system, Manken has been able to minimize health problems of incoming cattle. He is willing to pursue the sale of cattle using a value-based system. He realizes the benefits of obtaining carcass data for the feedlot and for his customers.

Manken Cattle Company is interested in placing an initial group of cattle in late August and an additional set in early December. Assistance with trucking arrangements is available. Manken encourages participation from producers in Missouri and surrounding states.

■ **T-Bone Feeders**

In addition to participating in the 1997 VDP, T-Bone Feeders, Goodland, Kan., is the host of the 1996 VDP. Feedlot Manager J.D. Wilson and his staff are committed to making the program a success.

For the 1996 VDP, Wilson managed 500 head of VDP cattle, which were consigned in December 1995. Health problems throughout feeding were successfully minimized by carefully monitoring pre-

conditioning systems before receiving cattle at the feedyard. In addition, timely treatment of sick cattle significantly contributed to the good overall health of VDP consignments.

Wilson negotiated with several major packers to determine a value-based system for selling the cattle. He successfully finalized arrangements with Monfort Inc., Greeley, Colo., for the sale of cattle, including additional value for high yielding, high grading cattle and discounts for cattle with lower carcass performance. With this system in place, many 1996 VDP participants were rewarded for their cattle's carcass performance.

Wilson is looking forward to participating in the 1997 VDP. The feedyard will accept VDP calves for December delivery. Assistance with trucking arrangements is available. In addition to participating in the 1997 VDP, T-Bone Feeders will continue to host the Junior Value Discovery Program.

The Next Step: Using the Data

The 1996 VDP is drawing to a close. All cattle have been processed, and carcass data is finalized. So, what's next?

It's time to plan how the information will be used by participating producers. CAB Program staff are planning several personalized, educational symposiums to assist producers.

Based upon the number of participants in given areas, these meetings will be held in August in South Dakota, Kansas, Missouri, Kentucky and Montana. Discussions will review overall VDP results and comparisons to data from the 1995 Beef Quality Audit.

In addition, cost analysis and the value-based system by which the cattle were marketed will be reviewed. Most importantly, CAB Program staff will meet individually with participants to discuss their results.

VDP participants and interested individuals should contact Terra Thorpe at (303) 980-6393.

Value Discovery Program Goals Explained

This retained ownership program is an opportunity for Angus producers to place a number of Angus-sired calves in a commercial feedyard.

In addition to providing information throughout the feeding process, the VDP also provides participants with detailed carcass data reports on their cattle. When possible, the cattle are sold on a value-based system, which bases value on carcass merit.

A consignment consists of five or more steers. Larger groups can be accommodated. In order to participate, each steer must:

- Be sired by registered Angus bulls (note: multiple sires are acceptable)
- Be predominantly black (at least 51 percent of each animal's hair coat is black)
- Have recorded birth dates
- Be weaned and castrated at least four weeks before delivery and
- Weigh between 550 and 850 pounds upon arrival at the participating feedyard.

The cost of an individual producer's participation is \$10 per head for up to 20 head, and \$6 for each additional head. This consignment fee covers the cost of carcass data collection and ear tags, which are services provided by the CAB Program.

For further information, or to receive a consignment form, please contact Terra Thorpe at (303) 980-6393.



Retail Promotions Abound

It's a pleasant summer evening and your family has gathered for some fun. What could be better than sizzling *Certified Angus Beef*™ steaks on the grill?

Seasonal consumer demand for beef creates new merchandising opportunities. And, licensed Certified Angus Beef (CAB) Program retailers have been more than willing to tantalize their senses. They are using creative and innovative promotions to increase awareness and demand for *Certified Angus Beef* product. These promotions include:

Meijer Foods, Grand Rapids, Mich., introduced *Certified Angus Beef* product with a front page ad in its circular and a \$1-off coupon in the ad's meat section.



Videos emphasizing its taste, quality and consistency were also shown in Meijer's meat departments. Some stores even placed big-screen televisions near the store entrance to create excitement among consumers.

Since the introduction, Meijer has expanded its commitment to the CAB Program. The product is now offered in 96 of Meijer's 100 stores.



Metro Markets, Baltimore, Md., held its kickoff in January. For this event, this retailer debuted a series of six creative print and radio ads. Campaign slogans, other than the one featured in the photo, included "now M&M's® aren't the only thing we sell that melt in your mouth." Just two months after joining CAB Program, this 15-store chain began offering *Certified Angus Beef* product as its only fresh beef.



Harris Teeter, Matthews, N.C. had consumers craving a tender, juicy *Certified Angus Beef* T-bone steak with a billboard. The gigantic steak billboard was located in the Charlotte area. Since January, Harris Teeter has added 16 stores to CAB Program.



Big Y, Springfield, Mass., displays its *Certified Angus Beef* product on wheels. "We

decided to use our trucks as roving billboards to showcase its availability and quality," explains Claire D'Amour, vice president of corporate affairs for Big Y. Big Y has also added eight stores to the CAB Program.

Fred Meyer stores, Portland, Ore., presented the CAB Program to all meat department managers. From this event, great interest was expressed in expanding the CAB Program into additional stores. Fred Meyer now offers *Certified Angus Beef* product in 40 stores, including six locations in Alaska.

John C. Groub Company, Seymour, Ind., joined CAB Program with 10 stores. For its introduction, the store held educational programs for all employees. These employees have displayed increasing enthusiasm for *Certified Angus Beef* product.

Pavilions, Arcadia, Calif., recognizes that consumers look to meat department personnel for information. That's why Pavilions' meat department managers traveled to California Polytechnic State University to learn about beef production basics and how they relate to selling beef at the retail level.

The day's event highlighted the stringent *Certified Angus Beef* product specifications, feedlot issues and CAB Program's supply development division. In addition, industry issues discussed include measures being taken to increase supply, land management practices and technological advancements.

With a steak fry for the event's grand finale, this educational event was a successful Pavilions investment.

CAB Program Welcomes New Staff Members

Lisa Cobb joined the Certified Angus Beef (CAB) Program as communications manager in May. In this position, Lisa will focus in providing and developing a full-service communication plan for CAB Program staff, media contacts and Program participants.



Lisa Cobb

Cobb, a graduate of the University of Illinois, has a bachelor of science degree in agricultural communications. She gained marketing experience through previous employment with Sags Communications and *Farm Journal Publishing*.

David Shock was named CAB Program's computer programmer/analyst in April. David is working with industry consultants to continue developing CAB Program's new database system.

David has an associate degree in dairy production and management and associate degree in data processing. He is working on his bachelor of science degree at Ashland University, Ohio.

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